

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Joint Application of Nevada Power Company d/b/a)
NV Energy and Sierra Pacific Power Company d/b/a)
NV Energy for approval of annual plans for the Solar)
Energy Systems Incentive Program, the Wind Energy)
Systems Demonstration Program, the Waterpower) Docket No. 19-02001
Energy Systems Demonstration Program, the Energy)
Storage and Low Income components of the Solar)
Program, and the Electric Vehicle Infrastructure)
Demonstration Program for Program Year 2019-)
2020.)
_____)

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on June 26, 2019.

PRESENT: Chairwoman Ann Pongracz
Commissioner C.J. Manthe
Commissioner Hayley Williamson
Assistant Commission Secretary Trisha Osborne

ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following
findings of fact and conclusions of law:

I. INTRODUCTION

On February 1, 2019, Nevada Power Company d/b/a NV Energy ("NPC") and Sierra Pacific Power Company d/b/a NV Energy ("SPPC" together with NPC, "NV Energy") filed with the Commission a Joint Application, designated as Docket No. 19-02001, for approval of annual plans for the Solar Energy Systems Incentive Program ("Solar Program"), the Wind Energy Systems Demonstration Program ("Wind Program"), the Waterpower Energy Systems Demonstration Program ("Waterpower Program"), the Energy Storage and Low-Income components of the Solar Program, and the Electric Vehicle Infrastructure Demonstration ("EVID") Program for Program Year 2019-2020.

II. SUMMARY

The Commission grants the Joint Application as modified by this Order.

III. PROCEDURAL HISTORY

- On February 1, 2019, NV Energy filed the Joint Application. NV Energy filed the Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 701B, 703, and 704, including, but not limited to, NRS 701B.005, 701B.230, 701B.610, 701B.670, and 701B.850.
- On February 13, 2019, the Commission issued a Notice of Joint Application and a Notice of Prehearing Conference.
- The Regulatory Operations Staff of the Commission (“Staff”) participates as a matter of right pursuant to NRS 703.301.
- On February 22, 2019, the Bureau of Consumer Protection (“BCP”) filed a Notice of Intent to Intervene pursuant to NRS Chapter 228.
- On March 5, 2019, the Commission issued another Notice of Prehearing Conference, rescheduling the prehearing conference in this Docket.
- On March 6, 2019, ChargePoint, Inc. (“ChargePoint”); Nevadans for Clean Affordable Reliable Energy (“NCARE”); and Tesla, Inc. (“Tesla”) filed Petitions for Leave to Intervene (“PLTI”).
- On March 20, 2019, the Presiding Officer held a prehearing conference. BCP, ChargePoint, NCARE, NV Energy, Staff, and Tesla all made appearances. The participants discussed ChargePoint’s, NCARE’s, and Tesla’s PLTIs and a procedural schedule.
- On March 22, 2019, the Commission issued an order granting ChargePoint’s, NCARE’s, and Tesla’s PLTIs and a Procedural Order establishing a procedural schedule for this Docket.
- On March 27, 2019, the Governor’s Office of Energy (“GOE”) filed a PLTI.
- On March 28, 2019, the Commission issued Procedural Order No. 2 shortening the response times to the GOE’s PLTI.
- On March 29, 2019, NV Energy and Staff filed responses to the GOE’s PLTI stating that they had no objection to the GOE’s PLTI, and the Commission issued an order granting the GOE’s PLTI.
- On April 9, 2019, the Commission issued Procedural Order No. 3 canceling the April 10, 2019, continued prehearing conference.
- On April 22, 2019, the Commission issued a Notice of Hearing.
- On April 29, 2019, BCP, ChargePoint, the GOE, NCARE, Staff, and Tesla each filed Prepared Direct Testimony.

- On April 30, 2019, Tesla filed Corrected Prepared Direct Testimony.
- On May 1, 2019, the GOE filed a Motion Requesting Reallocation of Clean Energy Program Funds and Electric Vehicle Infrastructure Development Funds and Order Shortening Time, and the Commission issued Procedural Order No. 4 shortening the response times to the GOE's motion.¹
- On May 6, 2019, NCARE, NV Energy, and Staff filed responses to the GOE's motion and BCP filed a Joinder to the GOE's motion.
- On May 8, 2019, the GOE filed a letter to withdraw its motion.
- On May 10, 2019, NV Energy filed Prepared Rebuttal Testimony.
- On May 15, 2019, the GOE filed a letter requesting redaction of confidential information.
- On May 17, 2019, Chispa Nevada et. al. filed Comments and the GOE filed a Notice of Appearance of Craig Burkett.
- On May 20, 2019, the Presiding Officer held a hearing. BCP, ChargePoint, the GOE, NCARE, NV Energy, Staff, and Tesla all made appearances. At the conclusion of the hearing, the Presiding Officer admitted Exhibits 1 through 14 into the record.

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¹ Jennifer Taylor, on behalf of the GOE, filed the motion seeking a re-allocation of funds. In doing so, Ms. Taylor disclosed confidential settlement negotiations in violation of NRS 48.105. While Ms. Taylor did ultimately withdraw the motion, Ms. Taylor stated that she did not agree that NRS 48.105 applied to administrative proceedings. However, the Commission disagrees. First, the Commission finds that NRS 233B.123 allows the introduction of relevant evidence in contested cases before an administrative agency so long as admission of the evidence is not precluded by statute and the agency "give[s] effect to the rules of privilege recognized by law." In this case, NRS 48.105 specifically precludes admission of the type of evidence that Ms. Taylor tried to admit, namely information regarding confidential settlement negotiations. Second, the Commission finds that, while no Nevada court case explicitly extends the applicability of NRS 48.105 to administrative proceedings, the Nevada Supreme Court did imply the applicability of NRS 48.105 in the context of administrative proceedings in *Laman v. Nevada Real Estate Advisory Commission* 589 P.2d 166 (Nev. 1979). In that case, the court found that the Real Estate Commission properly admitted evidence despite the appellant's NRS 48.105 objection, not because NRS 48.105 does not apply to administrative proceedings, but because the evidence was used for a different purpose than those disallowed by NRS 48.105. *Laman*, 589 P.2d at 171. Therefore, absent a ruling to the contrary, the Commission continues to find that NRS 48.105 applies to administrative proceedings. Accordingly, the Commission finds that Ms. Taylor did violate NRS 48.105 when she presented the contents of confidential settlement negotiations in her Motion. However, given that the Motion was ultimately withdrawn, the Commission declines to sanction Ms. Taylor pursuant to NAC 703.525.

IV. Joint Application

NV Energy's Position

1. NV Energy states that it “strive[s] to achieve the legislative goals of reaching 250 installed megawatts [(‘MW’)] within the maximum allocated \$295,270,000 incentive cap, of which a budget of \$15,000,000 was set aside for the [EVID] Program.” (Ex. 3 at 3.)

2. NV Energy states that the current application rate is 1,240 per month and that, based on this rate, it is forecasting that it will reach the \$280,270,000 authorized limit for the Solar Program, Wind Program, and Waterpower Program around June 2019. (*Id.*) However, NV Energy states that it will cease accepting applications for the programs once all of the incentive funds allocated for the program year have been authorized for payment. (*Id.*)

3. NV Energy states that, due to the ongoing legislative session and the uncertainty of funding, it designed the Solar Program using two different scenarios. (*Id.* at 4). Scenario one assumes that the incentive cap is held at \$295,270,000 and that all incentive funds, minus the EVID set-aside, are exhausted around June 2019. (*Id.*) In this case, NV Energy states that all new applications will be reviewed as non-incentive interconnections and only the program administration costs will be required to wind down the program. (*Id.*) Scenario two assumes that the low-income component of the Solar Program (the “Low-Income Solar Energy Program” or “LISEP”) and the energy storage component of the Solar Program will continue with additional incentive funding limits and that all other components of the Solar Program will stop accepting applications in the same manner as in scenario one. (*Id.*)

4. With respect to its budgets, NV Energy states that: (1) under scenario one, NV Energy is requesting approval of a total administrative budget, which includes utility administration, of \$3,428,200 for the program period 2019-2020 to wind down all portions of the

NRS 701B programs with the exception of the EVID Program; and (2) under scenario two, NV Energy is requesting approval of a total administrative budget, which includes utility administration, of \$3,816,000 for program period 2019-2020 to allow for the winding down of the Wind Program, the Waterpower Program, and the Solar Program, except for the LISEP and energy storage incentives, while continuing to support the EVID Program. (*Id.* at 6-7.)²

5. NV Energy states that it is not asking that the expenditures for the 2019-2020 program period be found prudent in advance of the delivery of the programs and that the actual expenditures for the programs will be subject to a prudence review in a future proceeding when NV Energy seeks to collect those expenditures through rates. (*Id.* at 7.)

6. NV Energy states that if the total incentive budget is not increased, and the authorized limit is reached around June 2019 as forecasted, then any applications received above the incentive budget will be under a conditional reservation for all qualified applications until the end of the plan year. (*Id.* at 7-8.) NV Energy states that these conditional reservations will remain active until all incentive funds allocated for the program year have been authorized for payment and that the conditional reservations will be issued an incentive reservation in priority order, based on application submission time, when funds become available through the withdrawal, cancellation, or forfeiture of an application with a reservation. (*Id.* at 8.)

7. NV Energy proposes to allocate the administrative costs for the 2019-2020 program year as follows: (1) the Solar Program, with the exception of the LISEP and large energy storage components, will be allocated based on 2018 application volumes resulting in a split of 94 percent to NPC and 6 percent to SPPC; (2) NPC and SPPC will split the costs equally for the LISEP, Wind Program, large energy storage, and EVID Program; and (3) consistent with

² NV Energy's program-by-program administrative budgets are contained in the respective program sections within the Application.

the practice for the last several years, the Waterpower Program budget will only be allocated to SPPC. (*Id.* at 11-12.)

Solar Program

a. Solar Incentives

8. For the general solar incentives component of the Solar Program, NV Energy is requesting a scenario-one administrative budget of \$1,560,000 and a scenario-two budget of \$1,576,400. (Ex. 1 at 134). NV Energy states that under both scenarios, once the incentive cap is reached, it will take applications on a conditional reservation basis and award incentives in case any funding is made available through cancellations or withdrawals. (*Id.*) Further, NV Energy states that in both scenarios, the administrative budgets will be used to wind the programs down.

b. LISEP

9. NV Energy explains the various stages of the LISEP program. (Ex. 1 at 49-50). NV Energy states that the LISEP program was established by Assembly Bill 428 of the 77th Session of the Nevada Legislature, which created the Lower Income Solar Energy Pilot Program. (*Id.* at 49). NV Energy states that in the first phase of the program, LISEP I, eight Title 1 schools were selected for the installation of Solar systems, and in LISEP II, additional low-income sites were selected for the installation of solar systems with all LISEP II projects being completed by April 2017. (*Id.*) NV Energy states that LISEP III, which ran from November 1, 2017 through June 30, 2018, dropped the term pilot, reduced the incentive to 50 percent of total project cost, and developed partnerships with the Nevada Housing Division and the GOE for the identification of potential projects and additional funding mechanisms. (*Id.* at 49-50).

10. NV Energy states that for LISEP IV a number of changes were made to LISEP III including: (1) maximum incentive funding was changed to \$500,000; (2) the Low income

Housing Tax Credit (“LIHTC”) and Other Entity (“OE”) categories were created; (3) the conditional reservation process was adopted; (4) the maximum incentive level per applicant was restricted by the lesser of \$2.00 per production watt or 50 percent of total installed cost for all blocks; (5) the GOE’s incentive was increased to \$0.50 per installed watt for OE and remained at \$0.20 for LIHTC; and (6) a one-time 12-month extension to the incentive reservation deadline was made available to qualified applicants. (*Id.* at 50). NV Energy states that LISEP IV opened up for applications on July 2, 2018. (*Id.* at 51).

11. In this Docket, NV Energy states that if no additional funding is made available, then the program will stop taking applications when the incentive cap is met, and all reservations would be administered and fulfilled with the corresponding LISEP phase. (Ex. 3 at 11). However, NV Energy states that if additional funding is made available, then the program will be administered as LISEP V, and under the same conditions as LISEP IV, with the following recommended improvements: (1) increasing the award of unreserved funds from four months to six months after the program opening date; and (2) the award of unreserved funds would first be awarded to conditional reservations in the same block that the funds were allocated to and to all blocks thereafter. (Ex. 3 at 11; Ex. 1 at 109.)

12. NV Energy proposes that the LISEP V incentives continue to be based on the capacity of the installed solar photovoltaic (“PV”) systems and that the same expected performance-based buydown (“EPBB”) rate offered for LISEP IV be offered for LISEP V at \$2.00 per watt with a maximum incentive of the lesser of the EPBB calculation or 50 percent of the solar PV system’s actual installation cost. (Ex. 3 at 8.)

13. For the administrative budgets, NV Energy is requesting \$139,000 to wind the program down if scenario one occurs and \$374,000 if additional funding is available to LISEP under scenario two. (Ex. 1 at 148-49.)

c. Energy Storage Incentives

14. NV Energy proposes that if scenario two occurs, the non-residential small energy storage incentive be raised to \$0.35 per watt-hour for systems not eligible for the investment tax credit (“ITC”) and \$0.25 per watt-hour for ITC-eligible systems. (Ex. 1 at 56-57.) Additionally, NV Energy proposes a cap for ITC- and non-ITC-eligible projects of 50 percent of equipment costs, up to \$3,000. (*Id.*) Similarly, NV Energy proposes to adjust the non-residential large energy storage incentives as follows: (1) for non-critical infrastructure, NV Energy proposes an increase to \$0.40 per watt-hour for non-ITC-eligible projects and maintaining the \$0.30-per-watt-hour for ITC-eligible projects; and (2) for critical infrastructure, NV Energy proposes an increase to \$0.50 per watt-hour for non-ITC-eligible critical infrastructure and maintaining the \$0.40-per-watt-hour for ITC-eligible critical infrastructure. (Ex. 3 at 4-5.)

15. NV Energy states that, for non-residential small energy storage systems, it is proposing an ITC-based incentive over a time-of-use (“TOU”) incentive because the ITC-based incentive will better-accelerate market adoption of advanced energy storage technologies in Nevada, as an optional TOU rate would require longer duration battery ratings, which increases the equipment cost and investment payback period. (*Id.* at 9.) NV Energy states that the ITC benefits can improve the customer’s return on investment and reduce the payback period. (*Id.* at 10.) However, because the benefits are only available to for-profit organization that file Federal tax returns or elect for third-party storage system funding and ownership, the revised incentive structure proposes to increase incentive levels for organizations not eligible for ITC benefits,

thus improving the technology adoption curves and the economic viability of energy storage systems for all organizations. (*Id.*)

16. NV Energy states that it determined the proposed incentive levels for non-residential small and large energy storage systems by conducting an in-depth cash flow and financial performance analysis for various energy storage system capacities and used actual 15-minute smart meter data profiles from non-residential accounts to develop energy storage models simulating battery charging/discharging cycles for multiple energy storage system capacities. (*Id.*) NV Energy states that it was then able to estimate bill impacts for customer accounts and perform an incentive level sensitivity analysis to identify levels that could result in a lower payback period while maintaining an acceptable percentage capital offset from the incentives. (*Id.* at 11.)

17. For residential energy storage systems, NV Energy requests an incentive level of the lesser of \$0.22 per watt-hour or 50 percent of equipment costs up to \$3,000 for TOU rates, and \$0.11 per watt-hour or 50 percent of equipment costs up to \$3,000 for non-TOU rates. (Ex. 1 at 181.)

18. For the administrative budget, NV Energy requests a \$362,000 scenario-one administrative budget to wind the program down if no more funding is available, and a \$499,000 administrative budget to continue to administer the program if funding is available. (*Id.* at 181-82.)

EVID Program

19. With respect to the EVID Program, NV Energy proposes: (1) raising the incentive for non-residential direct current fast chargers (“DCFC”) to \$400 per kilowatt (“kW”) installed, up to a maximum of \$40,000 per charging system; (2) keeping the incentive for non-

residential Level 2 chargers as the lesser of \$3,000 per charging connector or 75 percent of project cost; (3) making non-residential incentives available for installations that support public charging while continuing to support the multi-family (“MUD”), fleet electrification, and workplace charging incentives; (4) adding a residential component that would grant an incentive for the installation of Level 2 chargers at single-family residential homes, set at the lesser of \$500 or 75 percent of the project costs; (5) continuing the custom grants with up to \$1,500,000 in grant funding available by application through July 1, 2020; (6) a maximum incentive amount of up to \$500,000 per site for construction of up to 15 sites³ as defined by the GOE for the Nevada Electric Highway (“NEH”)⁴; and (7) continuing to offer technical advisory services with a budget of \$200,000. (Ex. 3 at 5; Ex. 1 at 198-200.)

20. NV Energy states that the purpose of the public charging component of the EVID Program is to increase installation of charging stations at businesses, non-profits, and other public enterprises. (Ex. 3 at 12.) NV Energy states that the proposed residential incentives for the installation of Level 2 chargers at single-family dwellings will decrease the “perceived barrier to adoption of electricity as a transportation fuel for residents and encourage more Nevadans to install charging infrastructure in single family homes.” (*Id.* at 13.)

21. NV Energy states that it will track the EVID program’s reservations separately from the other programs and coordinate the reservations against the \$15,000,000 incentive set-aside. (*Id.*)

22. NV Energy justifies its proposed incentives for EVID as follows: (1) for non-residential Level 2 chargers, NV Energy will maintain the incentive at the lesser of \$3,000 per

³ Although 15 sites have been identified, NV Energy proposes incentive funding to be used toward construction of approximately 10 of the 15 NEH Phase II sites. (Ex. 1 at 226.)

⁴ NV Energy notes that the GOE has allocated \$957,500 toward the NEH and will fund 25 percent of each project’s actual costs until the GOE cap is met. (Ex. 1 at 199.)

charging connector or 75 percent of project costs, as these amounts support a significant portion of the material cost for the charging unit and therefore do not hinder their adoption; (2) for DCFC, NV Energy is proposing changing to a variable incentive of \$400 per installed kW, with a maximum of \$40,000 per charging system, because NV Energy finds the current incentive level insufficient to drive DCFC adoption and the change will increase adoption of DCFC given the significant cost required for installation; and (3) for the NEH, NV Energy is proposing to increase the incentive amount to cover up to \$500,000 per location to help fund the high costs of performing the necessary work to install infrastructure in rural and remote areas of Nevada. (*Id.* at 14-15.)

23. In addition to the \$500,000 incentive, NV Energy states that it will continue to support the NEH by issuing a request for proposals “for vendors to bid on a selection of sites to find either host owners, or self-own, and construct at a minimum two charging stations with at least one being a [DCFC] at locations along the major interstates and highway corridors...” (*Id.* at 15.)

24. For the custom grants, NV Energy states that it chooses participants after assessing various aspects of the application utilizing a scoring matrix. (*Id.* at 16.) NV Energy states that the technical assessment includes identifying how the project fits with categories such as project feasibility, community benefits, and financing. (*Id.*) NV Energy states that if a project meets a minimum assessment score, it will be granted a reservation notice with an amount that is determined by NV Energy at NV Energy’s discretion. (*Id.*)

25. NV Energy states that the primary goal of the technical advisory services is to help customers better understand, select, implement, and optimize electric charging infrastructure, and it will provide recommendations on what is best for the customer to achieve

its objectives and adopt cost-effective technologies without regard to any particular vendor. (*Id.* at 16-17.)

26. With respect to the EVID Program's administrative budget, NV Energy requests the approval of \$1,340,200 to cover all of the program administration, program marketing, education, training, application hosting, and utility administration necessary to administer the EV incentives. (Ex. 1 at 54.)

ChargePoint's Position

27. ChargePoint states that it supports the EVID Program proposal, more specifically the MUD, workplace charging, fleet charging, public charging, single-family charging, and custom grant components, because: (1) it will accelerate the electrification of transportation in NV Energy's service territory by promoting customer choice, competition, and innovation; (2) it will support the development of a self-sustaining market for electric vehicle supply equipment ("EVSE"); and (3) it reflects an appropriate role for the utility to play in transportation electrification. (Ex. 6 at 4.)

28. ChargePoint states that these programs will accelerate transportation electrification by reducing the upfront cost of installing charging stations, thus encouraging potential site hosts to adopt them, and because visible charging stations will encourage drivers who are considering purchasing an electric vehicle to do so, as drivers will know that they have a place to charge their car other than home. (*Id.* at 5.)

29. ChargePoint states that the EVID programs encourage customer choice by allowing each site-host to choose the EVSE that meets its needs, so long as the EVSE meets NV Energy's eligibility criteria⁵, and by allowing each site-host flexibility in choosing its pricing

⁵ The criteria include that the EVSE be UL listed, capable of network communications and collecting charging data, and capable of charging more than one vehicle make. (Ex. 6 at 6.) ChargePoint supports these criteria. (*Id.*)

structure, thus allowing the various site-hosts to customize the way they offer electric vehicle charging stations to cater to their customers and needs, which maximizes the utilization of the EVSE that is deployed and can help NV Energy spend the limited rebate funds in the most effective manner possible. (*Id.* at 5-7.)

30. ChargePoint states that the EVID Program promotes competition and innovation because site-hosts' ability to choose EVSE and the network services that meet their needs means that EVSE vendors will work with prospective site-hosts to understand their needs and compete to sell the EVSE at the best value; whereas, when a utility proposes to procure all of the EVSE that is deployed in a transportation electrification program, there is only one opportunity for competition and little or no incentive for vendors to innovate as the utility will procure a one-size-fits-all solution. (*Id.* at 7-8.)

31. ChargePoint states that the EVID Program supports a self-sustaining market because it uses site-host rebates that allow the EVSE market to continue to sustain itself without subsidies after the program has ended and because rebate programs better set site-hosts' expectations for how the EVSE market will operate in the future. (*Id.* at 8.) ChargePoint also states that technical advisory services will help prospective site-hosts understand and get comfortable with the new technology. (*Id.*)

32. ChargePoint states that NV Energy's proposal to cap amounts for each of its programs based on a percentage of the total cost of installing the EVSE, so that site-hosts also have to invest some money in installation, and the proposal to require site-hosts to pay for the electricity used by the EVSE while being able to control pricing for charging to drivers, is beneficial because requiring site hosts to also invest in EVSE and allowing them to control the pricing means they are motivated to maximize its utilization by: (1) selecting the optimal number

of charging points; (2) siting it in a convenient and visible location; (3) providing signage directing drivers to the EVSE; (4) generally trying to increase the utilization; and (5) experimenting with pricing structures to find one that maximizes the EVSE's value. (*Id.* at 9.)

33. ChargePoint states that the EVID Program reflects an appropriate role for NV Energy to play because the rebates, which only NV Energy can offer, allow different entities to own EVSE and provide charging services, and because NV Energy is well-positioned to offer technical advice to site-hosts and potential site-hosts. (*Id.* at 10.)

34. In addition to the arguments detailed above, ChargePoint states that it supports the Residential Program because facilitating faster home charging with a Level 2 charging station is an effective means of encouraging electric vehicle adoption. (*Id.* at 11.) ChargePoint states that faster home chargers will: (1) allow customers to charge their vehicles overnight, something that may no longer be possible with the charging cord that comes with most vehicles; (2) give customers added convenience; and (3) given the rebate for the charger, combined with the fact that most electric vehicle owners have low or zero upfront payments, provide an added incentive to purchase an electric vehicle. (*Id.* at 11-12). Additionally, ChargePoint states that a smart and networked residential Level 2 charging station can provide significant benefits to NV Energy and its ratepayers by allowing NV Energy to include these chargers in managed charging programs and/or demand response programs, something that a basic Level 1 cord cannot do. (*Id.* at 12.)

35. ChargePoint states that it supports the public charging component of the EVID Program because visible public charging stations help reduce range anxiety and encourage electric vehicle purchases. (*Id.*) Further, ChargePoint states that it is necessary to supplement the residential component because not all drivers live in single-family homes or are able to install chargers. (*Id.*)

The GOE's Position

36. The GOE recommends that the Commission direct NV Energy to set aside \$5,000,000, as directed by NRS 701B.005(3), for the sole use by the LISEP at a rate of no more than \$1,000,000 per year through December 2023. (Ex. 7 at 2.) The GOE states that the \$5,000,000 should be reallocated as follows: (1) NV Energy should be directed to reserve \$2,500,000, or as much money as is left at the time that the Commission issues its order, from the overall NRS 701B program funding limit for the installation of solar energy systems and distributed generation systems as specifically authorized under NRS 701B.005(3); and (2) the Commission should deviate from the regulations approved in Docket No. 17-08021 and reallocate between \$2,500,000 and \$5,000,000, depending on how much money is still available, from the EVID Program to the LISEP. (*Id.* at 2-3.)

37. The GOE states that the LISEP is a joint effort between NV Energy and the GOE that offers incentives for solar PV systems that serve low-income populations. (*Id.* at 3.) The GOE states that beneficiaries of the LISEP include more than 1,000 low-income households, numerous non-profits, and a number of Title One public schools; and that the savings from the LISEP allows critical social service entities to save on operational funds that can be put back into programs and provide savings to Nevada residents. (*Id.*)

38. The GOE states that it has helped partially fund the LISEP by providing \$350,000 for LISEP II, \$200,000 for LISEP III through June 30, 2018, and \$200,000 for LISEP IV through June 30, 2019. (*Id.* at 3-4.)

39. The GOE notes that the \$15,000,000 EVID set-aside was established through a rulemaking and that there was no statutory directive to set aside those funds, unlike the statutory directive to fund the LISEP. (*Id.*)

40. The GOE states that it proposes taking funds from the EVID Program because it is the only source of funding available to meet the statutory directive to fund the LISEP and the EVID set-aside was a discretionary measure, rather than a statutory directive. (*Id.*) The GOE states that its proposal is not intended to affect the currently-proposed set-aside of \$937,500 to assist the GOE in building the NEH. (*Id.*)

NCARE's Position

41. NCARE recommends that the Commission: (1) approve the residential charging component of the EVID Program as proposed; (2) expand the budget for the non-residential charging component, and dedicate a greater percentage of program resources to the MUD charging incentives; (3) establish carve-outs by use-case in order to distribute non-residential charging incentives more strategically; (4) remove the Program requirement that MUD chargers be "accessible for all residents"; (5) increase the minimum DCFC output from 25 kW to 50 kW; (6) reallocate a portion of the anticipated budget surplus from the NEH to non-residential customers; and (7) proactively pursue partnerships with school districts to electrify school buses in the through custom grants. (Ex. 10 at 3-4.)

42. NCARE states that it supports the residential component of the EVID Program because it is a necessary part of electric vehicle ownership and because off-peak overnight residential charging improves the utilization of the electric grid and puts downward pressure on electric rates and utility bills. (*Id.* at 4.) NCARE goes on to note that the Level 2 chargers will allow customers to take advantage of TOU rates, something that Level 1 chargers cannot do as drivers have to start charging too early. (*Id.* at 4-5.) NCARE also states that studies have found that lack of customer awareness and understanding of electric vehicles is a large barrier to adoption, and that this Program facilitates promotion of the benefits of EVs to customers who

live in single-family homes. (*Id.* at 5-6.) Further, NCARE states that the Program will reduce the upfront cost of switching to a new transportation fuel. (*Id.* at 6.)

43. NCARE advocates reforming the proposed MUD component of the EVID Program. (*Id.* at 6-8.) NCARE notes that just 30 charging connectors will be installed at MUDs, which represents less than three percent of all new residential chargers funded through the EVID Program, whereas 33 percent of all of NV Energy's customers live in MUDs. (*Id.* at 6-7.) NCARE states that prospective EV owners who live in MUDs face a number of challenges to access vehicle charging, including: (1) lack of dedicated parking; (2) cost of installing chargers at a further distance from the building; and (3) investments in infrastructure not being recoverable during tenancy. (*Id.* at 7.) Therefore, NCARE recommends that the non-residential allocations be revised to better serve the MUD market, including by reallocating a portion of the \$4.5 million allocated to the NEH to fund additional MUD charging stations, as the current NEH set-aside of \$500,000 per site is more than twice the \$206,866 average actual total cost for these sites. (*Id.* at 8.)

44. NCARE states that NV Energy's proposed non-residential component of the EVID Program, which awarded 80 percent of the charging connector incentives to workplace chargers with the remainder split between MUD and fleet applications, aligns with the existing electric vehicle market trends but does not align with Nevada housing market trends, as a more equitable distribution would award 33 percent of all residential chargers to MUD residents. (*Id.* at 8-9.) NCARE proposes that NV Energy establish carve-outs by use-case, consistent with the approach taken in Ohio, Florida, and California, which will accelerate the adoption of electric vehicles among consumers and would see the non-residential budget allocated as follows: 30 percent to MUD, 30 percent to workplace, 20 percent to public, and 20 percent to fleet. (*Id.* at 9.)

Further, NCARE states that more balance is needed between the \$4.5 million allocated to the NEH and allocations to home-charging infrastructure, access to which NCARE states is a critical consideration for a prospective electric vehicle buyer. (*Id.* at 10.)

45. NCARE further states that the MUD requirement that chargers be flexible to enable residents from any units to have access to charging is unnecessarily restrictive, as most MUD owners and developers provide assigned parking spaces, and MUD residents should have the opportunity to reliably access home-charging stations in their home parking spots. (*Id.*)

46. With respect to the incentive levels and requirements for the DCFC stations, NCARE agrees with NV Energy's proposed incentive level increase to \$400 per kW, but recommends that the minimum capacity to qualify be increased to 50 kW in order to match the current state of technology and match any future developments. (*Id.* at 11.) NCARE states that the electric vehicle industry has shifted to a battery-electric vehicle majority, which requires two and a half hours to charge at a 25-kW station and less than 25 minutes at newly-proposed public DCFC charging stations. Further, NCARE states that Electrify America has committed to future-proofing the stations to accommodate future technological upgrades of up to 350 kW per charging station, which would reduce the recharge time to 10 minutes, a dwell time more comparable to a gas pump. (*Id.*) Therefore, NCARE recommends that the Commission direct NV Energy to increase the minimum DCFC capacity requirements to 50 kW and to future-proof site locations where possible. (*Id.*)

47. NCARE recommends that, because the NEH budget set aside is \$500,000 per site, which is well above the \$206,886 average actual cost per site, the NEH budget surplus should be relocated to the non-residential component of the EVID Program. (*Id.* at 12.)

48. With respect to the custom grants, NCARE states that NV Energy should proactively pursue partnerships with school districts to electrify buses as contemplated in Senate Bill (“SB”) 229 and the distribution of Volkswagen settlement funds. (*Id.*)

Tesla’s Position

49. Commenting on the non-residential component of the EVID Program, Tesla states that, while it agrees with the expansion in the types of charging infrastructure projects that can receive incentives to include public charging, specifically with respect to DCFC⁶ charging, and the proposed changes to the DCFC incentive structure to \$400 per kW with a cap of \$40,000 per charger, it does not agree with the restrictions placed on Program eligibility requiring that charging stations be capable of charging more than one vehicle make before receiving incentives, as this excludes Tesla Superchargers from being able to participate in this Program. (Ex. 11 at 2-3.) Therefore, Tesla recommends that the proposal be modified so that all DCFC may participate, or in the alternative, Tesla recommends allowing DCFC to participate unencumbered until a capacity limit is reached in the Program, after which equipment would be subject to a co-location or diversity requirement. (*Id.* at 3.)

50. Tesla states that the exclusion of charging systems that can only charge one vehicle make is problematic because: (1) it excludes Tesla vehicles, thus limiting the efficacy of the Program in supporting the ultimate objective of expanding and accelerating the deployment of electric vehicles as described by SB 145 of the 79th Session of the Nevada Legislature; (2) Tesla vehicles account for over 90 percent of electric vehicles registered in Nevada capable of using DCFCs, 95 percent of newly-registered electric vehicles in Nevada capable of using DCFCs in 2018, and 97 percent of newly-registered electric vehicles in Nevada capable of using

⁶ Tesla’s testimony refers to these as Level 3 chargers. However, for the sake of clarity and consistency, the Commission’s order uses the term DCFC.

DCFCs in 2019, meaning that, by excluding Tesla, resources are focused on building chargers that have no utility to customers in the near-term; and (3) Tesla is concerned that the exclusion will create an uneven playing field that advantages certain manufacturers and charging solution providers rather than letting the market drive the outcome. (*Id.* at 3-4.)

51. Tesla states that there is an adapter available, costing \$450, that can be used on Model S and Model X vehicles sold in the United States to allow them to use the CHAdeMO charging connector, but not from charging stations that use the combined charging system (“CCS”) connector, and that there is currently no adapter available for Model 3 vehicles to use any non-Tesla charging station regardless of connector used. (*Id.* at 4.) Tesla states that it anticipates Model 3 vehicles to represent the majority of its sales, meaning that a large or majority share of electric vehicles in Nevada capable of using DCFCs will not be able to access the charging infrastructure installed under this Program, which is in direct opposition to the objectives of the State to accelerate the adoption of electric vehicles. (*Id.*) Further, Tesla states that even if a Tesla driver purchases an adaptor when available, those drivers must accept rates that are limited to charging at a maximum power output of 50 kW, which translates into 120 miles of range per hour of charging; whereas Tesla Superchargers offer up to 150 kW, and new V3 equipment will offer 250 kW, which equals up to 1,000 miles of range per hour of charging. (*Id.* at 4-5.)

52. Tesla states that it is not aware of any plans to expand the types of adapters available in North America and that it continues to be concerned that the eligibility requirements result in the state picking winners rather than letting the market drive the outcome. (*Id.* at 5.)

53. Tesla states that, while its preference is to modify the Program to allow any kind of DCFC to participate, it understands the desire to ensure a diversity in charging infrastructure.

(*Id.* at 5-6.) Therefore, Tesla proposes that the Program be amended to: (1) support a public charging deployment of DCFCs, as proposed by NV Energy; (2) establish a diversity requirement for public DCFC stations, so that no single standard charging site, such as CHAdeMO, CCS, Tesla, or any other standard that may emerge, can account for more than 25-50 percent of the charging points deployed as part of the Program, and then once that threshold is met, require that no single standard can account for more than 75 percent of the charging points deployed at a single site, meaning that eligibility be established based on the site's ability to serve multiple vehicle makes; and (3) accept NV Energy's proposed \$400-per-kW incentive but alter the cap to be the lesser of \$400,000 or 50 percent, as \$400,000 represents NV Energy's number for an individual station scaled to serve 10 chargers, and the 50-percent limit ensures that developers are putting a meaningful amount of capital at risk. (*Id.* at 6-7.) Tesla states that a similar diversity requirement is currently employed in California. (*Id.* at 7.)

BCP's Position

54. BCP recommends that the Commission: (1) set aside \$1,000,000 for the LISEP; (2) not approve any incentives for residential chargers; and (3) order NV Energy to delay the incentives for solar storage until it provides operating information for the 78 systems already allocated incentives to determine whether they are in the ratepayers' interest, or, in the alternative, order NV Energy to provide the operating data in the next annual plan. (Ex. 12 at 2.)

55. BCP states that SB 145 sets aside \$1,000,000 for the LISEP, and BCP is concerned that, based on NV Energy's testimony that nearly all of the incentive funds have been allocated, the remaining incentive funds will be allocated in the next few months before any allocation is made to low-income customers. (*Id.* at 2-3.)

56. Commenting on the residential component of the EVID Program, BCP states that a Level 1 charger uses a 120-volt wall outlet and gives about 3-5 miles of range per hour of charge and that a Level 2 charger requires a 240-volt outlet and gives about 20-25 miles of range per charge. (*Id.* at 3-4.) BCP states that Tesla, which represents more than 90 percent of the electric-only vehicles in Nevada, offers Level 2 chargers as an option when it sells its vehicles. (*Id.* at 4.) BCP states that Level 2 chargers cost between \$400 and \$600, and that the owner may need to install a 240-volt outlet in the garage if one is not already available. (*Id.*) Further, BCP states that, given the fact that an overnight charge from a Level 1 charger provides little range, it is not logical that a customer would purchase a car that may cost over \$50,000 and not also purchase a Level 2 charger when it represents a comparatively small incremental cost and provides considerable convenience. (*Id.*)

57. BCP states that there are very few incentive programs for Level 2 chargers for residential customers and that such programs are usually not offered by regulated investor-owned utilities. (*Id.*) BCP states that a residential component of the EVID Program would increase the electric rates for non-users of electric vehicles, encompassing lower and middle-class ratepayers, and result in free-ridership among electric vehicle owners who could purchase Level 2 chargers regardless of the existence of an incentive program. (*Id.* at 5.)

58. With respect to energy storage, BCP states that it supports energy storage systems if they are installed and operated in an economically efficient manner, which means putting energy on the grid during on-peak hours and storing energy in the off-peak hours. (*Id.* at 5-6.) BCP states that NV Energy is issuing incentives for 78 storage systems. (*Id.* at 6.) BCP states that it is concerned that the owners of these systems will not align usage patterns with the utility and will, instead, put energy on the grid during off-peak hours when the solar energy system is

unavailable and charge the system in the day during on-peak hours, thus increasing greenhouse gases and costs to the ratepayer for the incentive program if the storage system is not controlled to put energy on the grid when needed. (*Id.*)

59. BCP proposes that participating systems be automatically controlled by the utility, a proposal currently being explored by the California Public Utilities Commission Staff, and automatically controlled through dispatch, as is current practice in Massachusetts. (*Id.* at 6-7.) BCP states that it would support the incentives if the systems were automatically controlled through the utility dispatch center. (*Id.*)

60. Further, BCP states that if the Commission chooses to continue the energy storage component of the Solar Program, then the Commission should order NV Energy to provide operating data for the 78 systems in the next annual plan. (*Id.* at 7.) BCP states that NV Energy should provide data on: (1) the size of the systems; (2) the time and date of when the system was being operated, charged, and discharged; and (3) what SPPC's and NPC's total loads and peak loads were during times when the energy system was being operated, discharged, and charged. (Tr. at 108-10.)

Staff's Position

61. Staff recommends that the Commission: (1) approve NV Energy's proposed administrative budgets for scenarios one and two; (2) approve NV Energy's non-residential component of the EVID Program but modify the DCFC incentive to the lesser of \$40,000 or 50 percent of installed costs; (3) deny NV Energy's request to create a residential component of the EVID Program; (4) approve the NEH incentive level as paired with the funding provided by the GOE; (5) approve NV Energy's energy storage proposals but modify the small storage component's administrative budget allocation to 60 percent to NPC and 40 percent to SPPC if

scenario two comes to fruition; (6) approve NV Energy's LISEP proposals if scenario two comes to fruition; and (7) require NV Energy to file an amendment if the 2019 Nevada Legislature provides funding to the NRS 701B programs in an amount larger than what was outlined in scenario two. (Ex. 13 at 1-2.)

62. Staff discusses NV Energy's proposed administrative funding for scenarios one and two and the amount of incentive funding left, and posits that scenario two only funds the energy storage incentives and the LISEP because (1) NRS 701B.055(3), 701B.223(4), and 701B.226(4) can be read as allowing incentives up to a certain dollar amount for those items; (2) NV Energy is hypothesizing that the 2019 Nevada Legislature may grant additional funding to the LISEP and energy storage components of the Solar Program to carry out the intent of SB 145; and (3) based upon lack of participation, it is not likely that any significant participation will occur through 2019 in the Wind or Waterpower Programs, and NV Energy is not seeking legislative approval to extend or modify those Programs. (*Id.* at 2-5.)

63. Staff states that, while there will be minimal to no incentive dollars for program year 2019-2020, NV Energy requires administrative funding for tasks such as processing incentives that are reserved but not paid, calculating and paying production-based incentives, managing queues, and providing program reporting and oversight to support renewable energy credit reporting and certification. (*Id.* at 5.)

64. Staff states that, as of the date of filing its testimony, it is unaware of any pending legislation that adds incentive funding to the NRS 701B Programs. (*Id.*) Staff states that the Commission should approve the administrative budgets for scenarios one and two because the programs must still operate in 2019-2020 to manage the conditional reservation queues and finish processing and paying reservations. (*Id.*) Staff states that it will review the wind-down

expenditures in the appropriate proceeding when NV Energy seeks to collect them through rates.

(*Id.* at 6.)

65. Staff discusses NV Energy's proposed non-residential component of the EVID Program and states that, while it agrees with the Level 2 charger incentives and increasing the DCFC incentive levels, it recommends modifying NV Energy's incentive cap from \$40,000 to the lesser of \$40,000 per charging system or 50 percent of the project costs, assuming that the Commission approves the variable \$400-per-kW incentive level. (*Id.* at 6-9.) Staff states that this cap balances the goals of lowering incentive costs to encourage more applications and avoiding a small number of applicants monopolizing the incentive funds. Staff adds that the modified cap also ensures that applicants have "skin in the game," as \$40,000 could cover the entire cost for small DCFCs. (*Id.* at 9.)

66. Staff states that an electric vehicle infrastructure program incentive cap must not provide an incentive amount so high that it subsidizes the cost of smaller, slower, and less-expensive electric vehicle charging infrastructure; not provide an amount so low that it discourages people from installing larger, faster, and more expensive infrastructure; and not provide an incentive amount so high that an applicant installing a larger, faster, more expensive charging infrastructure system monopolizes the majority of the funding, thus leaving little to no funds for other projects. (*Id.*)

67. Staff states that modifying the cap to 50 percent of the costs, up to a specific dollar amount, assures that no applicant has a system installed for free, and it creates a total incentive amount that is scalable so both large and small systems receive proportional incentives. (*Id.* at 10.)

68. Staff states that it supports both the custom grants and technical advisory services. (*Id.*) Therefore, Staff recommends approving the non-residential components of the EVID Program⁷ as proposed by NV Energy, with the exception that the DCFC charging infrastructure incentive cap should be modified to the lesser of \$40,000 or 50 percent of total project cost. (*Id.*)

69. Staff discusses NV Energy's proposed Residential Program and states that, while NV Energy argues that the Program would encourage residents of single family homes planning a vehicle purchase to consider an electric vehicle, NV Energy has provided no national or Nevada-specific studies to show that the cost of purchasing a Level 2 charger is a deterrent to a residential customer deciding to purchase or lease an electric vehicle. (*Id.* at 11.)

70. Staff states that a Level 2 charger costs \$600 and that such a charger can also be purchased at Walmart for \$399 or Amazon for \$229. (*Id.* at 11-12.)

71. Staff states that it does not support residential incentives because: (1) SB 145, which created the EVID Program, was aimed at accelerating the expansion of electric vehicle charging infrastructure statewide, something that cannot be achieved with residential chargers, as they are not available for use by the public, but only by the home in which they are installed; (2) Staff is not convinced that the availability of the incentive is the deciding factor for someone to purchase or lease an electric vehicle, and the incentive may spawn free riders as people who already decided to purchase or lease an electric vehicle would apply for an incentive, meaning that the Program would not be expanding electric vehicle adoption rates above normal; and (3) even if the Commission were to adopt residential incentives, the incentive levels are too high, as the proposed \$500 incentive is not reflective of the cost differential of Level 1 and Level 2 chargers, as a Level 2 charger can be purchased for as little as \$229. (*Id.* at 12-13.)

⁷ These consist of the workplace, multifamily, fleet, and public charging infrastructure proposals.

72. Therefore, Staff recommends that the Commission deny the residential component of the EVID Program, which would also decrease the proposed administrative budget commensurate with the denial of the residential proposal. (*Id.* at 13.) Further, Staff states that the proposed \$500,000 incentive fund allocation for the residential proposal should be folded back into the rest of the EVID Program. (Tr. at 134-35.)

73. Staff states that the NEH was a partnership between the GOE, NV Energy, and Valley Electric Association to expand the State's electric vehicle charging infrastructure by placing charging stations at cost-effective and strategic locations. (Ex. 13 at 13.) Staff states that the goal is to complete an "electric highway" system serving the entire state by 2020. (*Id.* at 14.) Staff states that Phase I included five electric vehicle charging stations along U.S. Route 95, and Phase II constructs charging stations on the Interstate 15, Interstate 80, U.S. Route 93, U.S. Route 50, and U.S. Route 95. (*Id.*) Staff states that the NEH funding was expanded by the addition of Nevada's Volkswagen Mitigation Trust funds ("VW funds") and that the GOE has designated a total of 38 sites along the 5 major corridors with 15 sites designated for Phase II. (*Id.*) Staff states that NV Energy has issued a request for proposals for engineering, procurement, and construction, for vendors to bid on a group of sites to find either host owners or self-own, and construct, at a minimum, two charging stations with at least one DCFC at locations along the major highway corridors. (*Id.*)

74. Staff states that it supports NV Energy's proposal to increase the incentive level for the NEH by paying the lesser of actual cost or \$500,000, due to the difficulties of the projects in some areas of rural Nevada. (*Id.*) However, Staff notes that the GOE, the entity in charge of dispersing the VW funds, has been given \$937,500 to offset 25 percent of each site's actual cost. (*Id.* at 14-15.) Therefore, Staff recommends approving up to \$500,000 per site, with the

understanding that 25 percent of the total site cost will be paid by the GOE until its contribution money is depleted. (*Id.* at 15.). Staff states that once that contribution funding is gone, then NV Energy should provide up to the \$500,000 incentive cap for each site. (*Id.*) Staff states that because the VW funds are intended to be used to offset vehicle emissions in Nevada, the funds should be allocated to all of the entities involved in creating the NEH. (*Id.*)

75. Staff discusses NV Energy's energy storage proposal and states that it agrees with changing the incentive basis from TOU to ITC for the non-residential small storage category. (*Id.* at 15-17.) Staff states that NV Energy has not received a single application for the non-residential small storage category since the category launched on September 4, 2018, indicating that the incentive levels and/or TOU basis is not enticing enough for a customer to participate in the storage market. (*Id.* at 17.) Staff states that residential customer incentives remain TOU-based, with the more favorable TOU incentive aimed at encouraging residential customers to charge their energy storage systems when doing so will benefit the grid as a whole. (*Id.*) Further, Staff states that using ITC eligibility for the incentives does not remove the TOU incentive to manage loads, and only adds additional monetary motivation for large customers to install storage systems, as most large customers who would install a battery sized 100 kW and larger are already required to be on TOU rates. (*Id.* at 17-18.)

76. Staff states that NV Energy is proposing to increase the incentive levels due to the lack of interest in the large energy storage category and that NV Energy conducted multiple simulation models to determine what incentive levels would balance between a shorter customer payback period with the appropriate amount of cost offset. (*Id.* at 18.) Moreover, Staff states that it supports changing the incentive levels and that it is unsurprising to learn that the incentive levels needed to be changed because they were based on non-current market data and that the

upward adjustment is similar to the downward incentive adjustment that would be made once a technology becomes mainstream and prices drop. (*Id.* at 18-19.)

77. Staff states that NV Energy did not provide support for its proposal to change the incentive cap for the non-residential and large energy storage customer categories in the initial filing but that such information and calculations were provided to Staff through data requests. (*Id.* at 19.) Further, Staff states that it agrees with the proposed incentive cap increases and that by setting the cap at the lesser of a specific dollar amount or 50 percent of the costs, it assures that no small or large energy storage systems will be installed for free, even if the incentive amount per kW would be high enough to do so. (*Id.*) Additionally, Staff states that the two-part cap creates a total incentive amount that is scalable so that larger systems will receive a larger total amount. (*Id.*)

78. Staff states that of the 29 storage-only applications received by NV Energy, NPC received 17 and SPPC received 12, resulting in a 59/41 percent split. (*Id.* at 20.) Staff states that it does not agree with NV Energy's proposal to allocate the small energy storage category's administrative costs based on the prior year's solar installation split between NPC and SPPC, with 94 percent of the budget going to NPC and 6 percent to SPPC, because the split is not being realized as customers who desire an energy storage system do not appear to be concentrated in NPC's service territory but are spread throughout the State. (*Id.*) Instead, Staff recommends that the administrative budget be allocated 60 percent to NPC and 40 percent to SPPC, based on actual applications to date which are split 59 percent to NPC and 49 percent to SPPC. (*Id.* at 20-21.) Staff states that these splits are both mindful of the location of existing storage systems and the fact that customers likely to install storage systems are located throughout the State. (*Id.* at 21.)

79. Staff states that it supports NV Energy's LISEP proposals to change the award period of unreserved funds from four months to six months after the program opening date and that unreserved funds should be first awarded to conditional reservations in the same block that the funds were originally allocated to, then to all blocks thereafter. (*Id.* at 22-23.) Further, Staff states that it was the first party to suggest creating a general fund of unreserved incentives and relocating those incentives to other blocks because Staff was concerned that the lack of interest in one block would result in incentive funds going unused even if there was interest in other blocks. (*Id.* at 23.) Staff states that through a settlement, the parties agreed to a four-month award period and then allocating the incentive funds based on priority order and that, given a full program year has now been realized and that there is understanding on the level of interest between blocks and the amount of time it takes an entity to file an application, Staff supports modifying the general funds parameters to better fit how applicants participate in the LISEP. (*Id.*)

80. Staff states that, to date, all prior program year LISEP installation targets have been met and that the LISEP is successful in achieving its goal of bringing solar energy and the associated bill savings to lower-income customers. (*Id.* at 23-24.) Therefore, assuming scenario two occurs, Staff supports continuing the program as designed with the two changes proposed by NV Energy. (*Id.* at 24.)

81. Staff states that if the 2019 Nevada Legislature provides incentive funding to the NRS 701B programs in an amount larger than what was outlined in scenario two, or for the Solar, Wind, or Waterpower Programs, Staff recommends that NV Energy file an amendment to its application so that NV Energy may obtain Commission guidance and approval for administering the additional funds. (*Id.* at 24-25.)

NV Energy's Rebuttal

82. NV Energy states that it does not agree with BCP's LISEP proposal that \$1,000,000 of the money available under NRS 701B.005(2) be specifically allocated for use by the LISEP in the 2019-2020 program year. (Ex. 14 at 3.) NV Energy states that: (1) the process explained in Exhibits 1 and 3 for winding down the incentive programs should be approved; (2) NV Energy is already proposing that if there are any remaining incentive funds for the previous plan year, up to \$1,000,000 be allocated to the LISEP for the new program year; and (3) the amount of incentive funds allocated to the LISEP is dependent on the existence of funds available under NRS 701B.005(2). (*Id.*) Moreover, NV Energy states that the regulation promulgated to implement SB 145 does not address the funding of the program. (*Id.* at 3-4.)

83. NV Energy states that, as of May 1, 2019, there is approximately \$7,000,000 in incentive funds either not spent or reserved, and that, based on the current pace of applications, it does not expect the entirety of the incentive funds to be spent or committed before the end of June. (*Id.* at 4.) Therefore, NV Energy states that, consistent with its prior proposal, it will allocate up to \$1,000,000 from the remaining balance as of July 1, 2019, to the LISEP. (*Id.*)

84. NV Energy states that it disagrees with the GOE's proposed method of funding the LISEP because: (1) diverting \$2.5 million from the other components of the Solar Program would drastically accelerate its closure, which may catch customers off guard and lead to a negative public reaction; (2) diverting anywhere between \$2.5 million and \$5 million from the EVID would stunt the growth and development of the charging station network, and when combined with SB 299, the school bus electrification legislation, the reallocation would decrease the number of projects that the EVID Program could support; and (3) the Commission had the

opportunity to set aside funds in Docket No. 17-08021 for the LISEP but chose not to do so. (*Id.* at 5.)

85. NV Energy states that it agrees with Staff's proposed administrative budget allocation for small energy storage systems and that it disagrees with BCP's proposal to delay the incentive program until NV Energy can provide more information as the program is still in its infancy compared to the California program referenced by BCP, and that it is therefore appropriate to revisit this issue as installations proceed. (*Id.* at 6.)

86. NV Energy agrees with NCARE and Tesla's position on the effectiveness of a residential charging incentive program because having a home charger is a key component for electric vehicle ownership and will reduce one of the barriers to adopting electric vehicles, while the incentive will also offset the costs of modifying a garage and home service to handle a Level 2 charger. (*Id.* at 7.) NV Energy states that Staff's concern that the proposed \$500 cap on Level 2 chargers for residential customers is too high is addressed by the second component of the incentive, which caps the incentive at 75 percent of the cost of the charger, thus ensuring that a customer will have to make its own investment in the charger. (*Id.*)

87. NV Energy states that it agrees with Staff's recommendation to modify the DCFC incentive cap to the lesser of \$40,000 or 50 percent of installed costs. (*Id.* at 8.)

88. However, NV Energy states that it disagrees with NCARE's recommended changes to the EVID⁸ because: (1) some DCFC sites may not be able to accommodate a system larger than 25 kW due to infrastructure or power availability and that it is important that the program support incentivizing smaller systems; (2) the EVID Program has only been active for

⁸ NCARE's recommendations are to increase the minimum output for a DCFC station to 50 kW, creating carve-outs for specific use cases, and eliminating the requirement that MUDs must make charging stations available to all residents.

eight months, and as such, it is too early to understand the market and start creating carve-outs as suggested; instead, NV Energy posits that the market should be allowed to grow naturally and that all uses should have an equal opportunity to grow; and (3) the incentives for MUD are designed for the property owner or developer, and the charging stations should be located conveniently for all residents, thus minimizing the number of sites that need to be constructed and allowing the sites to attract future tenants, and etiquette should be considered to encourage moving the cars after they have received a full charge. (*Id.* at 8-9.) Further, with respect to the NEH sites, NV Energy states that the \$500,000 incentive level is more reflective of the cost to build the phase-two sites, which are more rural and in areas that could see significant additional make-ready costs. (Tr. at 146-47.)

89. NV Energy states that it disagrees with Tesla and continues to support the requirement that charging stations must be able to charge more than one vehicle make to be eligible for incentives because: (1) the focus of the Program should not be on the near-term but giving charging networks a boost for the long-term; (2) Tesla limits their vehicles to using proprietary adaptors rather than using a universal adaptor; and (3) Tesla already has a large network of superchargers in Nevada along the US-95 and I-80 corridors, and it does not appear that incentive support for expanding Tesla's network is needed. (Ex. 14. at 10.)

90. With respect to Tesla's other recommendations regarding the DCFC component, NV Energy states that: (1) Tesla's recommendation to support public charging in the context of DCFCs is consistent with the Annual Plan; (2) NV Energy is willing to evaluate Tesla's recommended diversity requirement for DCFC stations for next year's plan, but it is too late to make such significant changes to the incentive program and be able to adequately assess and evaluate the effectiveness of the proposal; and (3) Tesla's recommendation to increase the cap to

\$400,000 or 50 percent of the cost to develop the site to accommodate up to 10 chargers at a site is unreasonable and extreme given the current Nevada market and that NV Energy's current proposal to support a maximum incentive of \$200,000 per site and a 5-DCFC limit is reasonable. (*Id.* at 10-11.)

91. With respect to how electric vehicle charging stations are being used, NV Energy states that there is a way to know how the charging stations are being used if the information is shared with it and that ChargePoint has been open with information in the past. (Tr. at 176). NV Energy states that if the Commission were to direct NV Energy to file data on the usage of charging stations, then NV Energy would be able to submit something in compliance with that directive. (*Id.* at 176-77.)

92. NV Energy states that the custom grants would apply to the recently-passed SB 299 school bus electrification bill and that there is some money available in the custom grants. (*Id.* at 177.)

Commission Discussion and Findings

93. NRS 701B governs the filing and evaluation of NV Energy's annual plans. Under NRS 701B, NV Energy must file annual plans for the Solar Program, the Wind Program, the EVID Program, and the Waterpower Program. NRS 701B.005 allows NV Energy to file joint annual plans and tasks the Commission with reviewing the plans in accordance with the requirements of NRS 701B.230, 701B.610, and NRS 701B.850.⁹

94. The Commission notes that this Order approves NV Energy's administrative budget and annual plans, as modified below, but that this approval does not constitute a finding

⁹ NRS 701B.230 governs the Solar Program, NRS 701B.610 governs the Wind Program, and NRS 701B.850 governs the Waterpower Program.

of prudence. NV Energy must still show that its expenditures were prudent in the appropriate proceeding before it can collect the authorized expenditures through rates.

Solar Program

95. Pursuant to NRS 701B.230(2), the Commission shall:

- (a) Review each annual plan filed by a utility for compliance with the requirements established by the regulation of the Commission; and
- (b) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Solar Program.

96. NV Energy's proposed Solar Program consists of: (1) the Solar Incentives Program; (2) the LISEP; and (3) energy storage incentives. As further discussed below, the Commission finds that the most appropriate way to facilitate the Program is to discontinue application for rooftop solar incentives, set aside \$1,000,000 for the LISEP from the remaining funds available as of July 1, 2019, and continue to fund the energy storage incentives with any funds still available after those set aside for the LISEP.

a. Solar Incentives¹⁰

97. NV Energy's original proposed annual plan stated that it is almost out of incentive money and expects all of the remaining funds, the EVID Program notwithstanding, to be allocated by the end of June 2019. (Ex. 3 at 3.) As such, NV Energy's proposal is to take any applications received in the remaining plan year above the incentive budget on a conditional reservation basis until the end of the plan year and then to allocate funds to the conditional reservations as new funds are made available from reservation cancellations, withdrawals, or forfeitures and to use the requested administrative budget to wind the program down, given the

¹⁰ The Solar Incentives Program offers incentives to customers for installing approved rooftop solar PV systems on homes and business. (Ex. 1 at 75.)

lack of funding still remaining. (*Id.* at 3, 7-8.) However, on rebuttal, NV Energy notes that there is approximately \$7,000,000 still available as of May 1, 2019. (Ex. 14 at 4.)¹¹

98. The Commission finds that, when the Program was established, the legislative goal was to reach 250 installed MW within the \$295,270,000 incentive cap. (NRS 701B.005.(1)). Further, the Commission finds that this goal has been achieved and surpassed, as evidenced by NV Energy's April 2019 report, which shows 260,934 installed kW capacity and 64,049 of reserved kW capacity for a total of 324,983 kW capacity.¹²

99. The Commission finds that, given that the legislative goals have not only been fulfilled but have been exceeded by the Program, and given that there are limited incentive funds remaining, it is appropriate to wind down the Solar incentives. Accordingly, the Commission finds that NV Energy should stop accepting applications for the solar incentives on July 1, 2019, conditional or otherwise, and the Commission approves NV Energy's proposed administrative budget to wind the Program down.

b. LISEP¹³

100. Pursuant to NRS 701B.005(3), the Commission shall, from the incentive funds available, authorize the payment of funds of not more than \$1,000,000 per year for the installation of solar energy and distributed generation systems for the benefit of low-income customers through December 31, 2023.

101. The Commission approves NV Energy's proposal to set aside \$1,000,000 from the remaining NRS 701B funding at the start of the 2019-2020 program year for the LISEP. Further, the Commission approves NV Energy's request to increase the award of unreserved

¹¹ This figure was updated to approximately \$6.1 million unreserved as of May 20, 2019. (Tr. at 170.)

¹² See Docket No. 19-05032 which contains the monthly website reports on the Clean Energy Programs that NV Energy administers pursuant to NRS 701B.005 for the period July 1, 2018 through April 30, 2019.

¹³ The LISEP provides incentives for the installation of solar systems to serve low-income populations.

funds from four months to six months after the Program opening date, and for the award of unreserved funds to be first awarded to conditional reservations in the same block that the funds were allocated to and to all blocks thereafter.

102. LISEP V incentives shall continue to be based on the capacity of the installed solar PV system, and the same EPBB rate offered for LISEP IV shall be offered for LISEP V at \$2.00 per watt with a maximum incentive of the lesser of the EPBB calculation or 50 percent of the solar PV system's actual installation cost.

103. The Commission rejects the GOE's proposal to set aside \$2.5 million from the NRS 701B programs, or however much incentive money is remaining, and anywhere between \$2.5 million and \$5 million from the EVID Program, depending on how much NRS 701B funding is left, to ensure that the total of the \$5 million is set aside for the LISEP, with no more than \$1,000,000 to be used per year, until 2023. (*See Ex. 7 at 1-2.*)

104. The Commission finds that, given the potential continued availability of incentive funds as of July 1, 2019, and the possibility of funds being made available through cancellations, withdrawals, or forfeitures, it is unnecessary to reallocate any incentive monies from the EVID Program to fund the LISEP. The Commission rejects the GOE's reading of NRS 701B.005(3), which the GOE characterizes as requiring the Commission to set aside \$1,000,000 for each program year for the LISEP.

105. The relevant portion of NRS 701B.005(3) states "...the Commission shall, from the money allocated for the payment of an incentive pursuant to subsection 2, authorize the payment of incentives in an amount of *not more* than \$1,000,000 per year..." (emphasis added). Therefore, the Commission finds that it is unnecessary to reallocate incentive funds from the EVID Program set-aside, which was specified in the regulations adopted by the Commission in

Docket No. 17-08021, and acknowledged by a stipulation of the parties in Docket No. 18-02002 because, to the extent that the cancelled, withdrawn, or forfeited reservations do not add up to \$1,000,000 per year, the LISEP will still be statutorily compliant even with a lower funding amount.

106. Accordingly, the Commission finds that NV Energy should set aside \$1,000,000 from the remaining available non-EVID funds on July 1, 2019, and as further discussed below, the Commission directs NV Energy to set aside any non-EVID incentive funds made available from cancellations, withdrawals, or forfeitures on or after July 1, 2019, for the LISEP up to a maximum of an additional \$4,000,000.

c. Energy Storage Incentives¹⁴

107. The Commission finds that the incentive structure proposed by NV Energy under scenario two is reasonable. Further, the Commission finds that, as it appears there will still be incentive funding available come the beginning of the 2019-2020 program year, NV Energy shall maintain the energy storage incentives and continue to accept applications until the non-EVID funding available at July 1, 2019, less the \$1,000,000 allocated for the 2019/2020 LISEP program, is allocated. The Commission also agrees with BCP that more information about the performance of the storage systems would be valuable. Therefore, the Commission orders NV Energy to track the data described by BCP and include it in future annual plans.¹⁵ As further discussed below, the Commission further finds that, because there will be incentive money available and NV Energy must continue to administer the program rather than wind it down, the scenario two administrative budget is approved, but that the Small Energy Storage Program

¹⁴ SB 145 provides for the payment of incentives for the installation of residential and commercial energy storage systems. (Ex. 1 at 108.)

¹⁵ BCP's requested information is in paragraph 60.

budget should be allocated 60 percent to NPC and 40 percent to SPPC, as recommended by Staff, based on the amount of storage-only applications received in NPC's and SPPC's respective service territories.

108. The Commission finds that NV Energy shall use the remaining incentive money as of July 1, 2019, less the \$1,000,000 set-aside for LISEP and the \$15,000,000 set-aside for EVID, to fund the Energy Storage Program.¹⁶

109. The Commission further finds that NV Energy failed to comply with Commission Orders in Dockets No. 17-08021 and 18-02002. In Docket No. 17-08021, which implemented SB 145, the Commission found that NV Energy should set aside \$10,000,000 in incentive funding for energy storage, with \$5,000,000 going to residential and small-commercial energy storage and \$5,000,000 going to large-scale energy storage. (*See* Docket No. 17-08021, Commission Order at ¶ 14). Further, in last year's annual plan, Docket No. 18-02002, NV Energy signed a stipulation, which was approved by the Commission, in which NV Energy agreed to set aside the required \$10,000,000 for energy storage. (*See* Docket No. 18-02002, Commission's Order Accepting Stipulation at Attachment 1 ¶ 20.) However, despite being ordered to set aside the \$10,000,000 for energy storage and signing a stipulation to that effect, NV Energy failed to set aside the requisite amount for energy storage. Indeed, NV Energy stated that it considered the \$10,000,000 set-aside to be a consideration rather than a hard set-aside, despite the language in both Orders and the stipulation. (Tr. at 18-23.)

110. The Commission finds that, while NV Energy failed to set aside the \$10,000,000 for energy storage incentives, and now no longer has adequate funding available to make such a

¹⁶ For example, if there is \$5,000,000 left as of July 1, 2019, in unreserved non-EVID incentive cap, then NV Energy shall set aside \$1,000,000 for LISEP for the 2019-2020 program year and use the remaining \$4,000,000 for the Energy Storage Program.

set-aside, there are no remedies in this Docket available to the Commission to solve the funding failure. Therefore, the Commission finds that a new docket shall be opened for the purpose of holding proceedings to determine whether NV Energy should be assessed an administrative fine pursuant to NRS 703.380 for not complying with a Commission order, in addition to any other remedies to address the funding shortfall.

EVID Program

111. NRS 701B.670 establishes the EVID Program and directs the Commission to adopt regulations for the implementation of the Program. Pursuant to NRS 701B.670(4), the Commission shall:

- (a) Review each annual plan filed by a utility pursuant to the regulations adopted pursuant to subsection 3 for compliance with the requirements established by the regulation of the Commission; and
- (b) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Electric Vehicle Infrastructure Demonstration Program.

112. NV Energy's EVID proposal consists of five parts: (1) residential incentives; (2) non-residential incentives; (3) custom grants; (4) technical advisory services; and (5) the NEH. As further discussed below, the Commission finds that, with the exception of the residential component, NV Energy's proposals are reasonable and are approved as those proposals represent the most appropriate method of facilitating the EVID Program.

a. Residential Incentives

113. The Commission declines to approve the residential incentives component proposed by NV Energy. SB 145 was passed with the goal of expanding electric vehicle ownership and electric vehicle infrastructure. (*See* SB 145, 2017 Leg., 79th Session (NV 2017).) Though ChargePoint and NCARE have presented testimony regarding the benefits of residential Level 2 chargers to electric vehicle owners, the Commission finds that it is not the most

appropriate method of facilitating the EVID Program and expanding electric vehicle infrastructure.

114. The Commission shares BCP's and Staff's concerns regarding the potential for free riders under the residential proposal. The Commission finds that it is not unreasonable that homeowners who are already electric vehicle owners would take advantage of residential incentives, as it is unlikely any person would install such a charger without already owning an electric vehicle, meaning that it would not be expanding electric vehicle ownership. The Commission finds that visible, public charging stations, such as at supermarkets and shopping centers, and chargers at places people frequent, like workplaces, are the best method of growing charging infrastructure in Nevada as they increase the availability of public chargers and can incentivize the use of electric vehicles as it provides a charging option for drivers away from home.

115. Further, the Commission finds that, with limited funds available for the EVID Program, the Commission must ensure that the incentive funds allocated to EVID are spent in the manner best suited to accomplish the goals of the Legislature. As discussed above, the Commission finds that public charging infrastructure provides more benefits to building out Nevada's charging infrastructure than residential Level 2 chargers. Additionally, while the Level 1 chargers provided with electric vehicles are not as efficient as Level 2 chargers, the Commission finds that the existence and universality of such chargers among electric vehicle owners makes non-residential charging options the top priority in expanding the EVID Program.

116. Accordingly, for the reasons discussed above, the Commission denies NV Energy's proposal to create a residential incentive component. The Commission further finds

that any incentives budgeted for a residential component should be made available for the other portions of the EVID Program.

b. Non-Residential Incentives

117. NV Energy proposes to create; (1) the MUD component, to encourage the installation of chargers at MUDs; (2) the workplace charging component, for the installation of chargers at workplaces; (3) fleet charging, for the installation of chargers to serve a commercial fleet; (4) public charging, for the installation of chargers at public sites such as businesses, non-profits, schools, and public enterprises; and (5) different incentive amounts for Level 2 and DCFC. (Ex. 1 at 200-01.)

118. Here, and as further discussed below, the Commission approves the non-residential proposals, with the exception of the DCFC incentive levels, which the Commission finds should have the cap altered consistent with Staff's recommendations. Further, NV Energy has proposed that program applications must meet the requirement that the proposed electric vehicle charging equipment must be capable of network communications and charging data collection. (Ex. 1 at 212). The Commission finds that information on how the EV charging stations are being used would be helpful to future annual plan applications. Therefore, the Commission shall direct NV Energy to use information that it has available and work with the owners of charging stations to develop a report on how the charging stations are being used.

i. MUD Incentives

119. The Commission approves NV Energy's MUD proposal as filed and, in doing so, rejects the recommendations to allow for chargers in residents' parking spots and to increase the amount of program resources dedicated to MUD incentives. For similar reasons as discussed in the residential section, the Commission finds that a charging station at a resident's parking spot

is not the most beneficial use of the EVID Program, as it limits access to chargers to a select few residents, thus restricting the availability of electric vehicle charging infrastructure. While concerns have been raised about residents monopolizing chargers meant for all residents, the Commission finds that property owners will be incentivized to ensure that a select few residents cannot monopolize the chargers by instituting charging time limits and other restrictions to ensure that the stations are available to all residents as a method of marketing their property. Further, the Commission declines to increase the amount of resources dedicated to this component of the Program. As discussed earlier, the Commission finds that the limited funds are best spent on public charging locations and workplace chargers, and that money should not be re-directed from those Programs to further fund MUD chargers.

ii. Charger Eligibility Requirements

120. The Commission approves NV Energy's proposed eligibility requirements. In approving those requirements, the Commission rejects NCARE's recommendation to increase the minimum power output for DCFC to 50 kW and Tesla's recommendation to remove the requirement that chargers be able to charge more than one vehicle make, with a diversity requirement kicking in once a certain percentage of chargers of one kind are installed.

121. The Commission rejects NCARE's recommendations because the Commission finds that they are not appropriate to facilitating the EVID Program at this time. The Commission finds that increasing the minimum output of DCFC to 50 kW would artificially restrict the places where such chargers can be installed as there are sites that cannot accommodate a DCFC system above 25 kW. (*See Ex. 14 at 8.*)

122. With respect to Tesla's recommendation that the Commission remove the requirement that the charging stations be able to charge more than one model of car, the

Commission finds that, while Tesla may currently dominate the electric vehicle market in Nevada, electric vehicle technology is rapidly advancing, as is the electric vehicle marketplace. Electric vehicle charging stations represent a substantial capital investment. In its consideration of these investments in the instant proceeding, the Commission must consider the current state of technology and marketplace, but it must also allow for flexibility of charging infrastructure to accommodate future technological and market developments.

123. Accordingly, the Commission finds that NV Energy's charging eligibility requirements are appropriate for this year's annual plan. However, the Commission notes that if NV Energy files next year's annual plan with evidence supporting the benefits of Tesla's recommended diversity requirement to the future of EV charging and infrastructure, the Commission would be willing to reconsider the eligibility requirement of being able to charge more than one make of car.

iii. Incentive Levels

124. The Commission approves NV Energy's proposed incentive level for Level 2 chargers of the lesser of \$3,000 per charging connector or 75 percent of project cost. The Commission also approves the DCFC incentive level, as modified by Staff and accepted by NV Energy, of \$400 per installed kW up to the cap of the lesser of \$40,000 or 50 percent of project costs.

iv. Workplace Charging, Fleet Charging, and Public Charging

125. The Commission approves the workplace charging, fleet charging, and public charging proposals as filed. While the workplace and fleet charging components of the EVID Program may not be open to the public, the Commission still finds that the proposals are beneficial to the growth of electric vehicle infrastructure in Nevada. Workplace chargers will

remove the hurdle to employees buying electric vehicles as they will now be able to charge at home, with the manufacturer-provided Level 1 charger, and at work with the workplace charger. Further, the Commission finds that the fleet charging proposal will provide incentives to commercial operations to adopt electric vehicles, thus reducing greenhouse gases and providing a benefit to Nevada.

c. Custom Grants

126. The Commission finds that the custom grants proposal is the appropriate method through which NV Energy can start implementing SB 299 before it files its annual plan next year. Therefore, the Commission directs NV Energy to make all of the incentive funds available under the custom grant component of the Program available to carry out the goals of SB 299 in the 2019-2020 annual plan year.

d. Nevada Electric Highway

127. The Commission approves the NEH proposal as filed by NV Energy. The Commission finds that the NEH continues to be a policy goal of this state and that the support for the NEH should continue as proposed by NV Energy and supported by the GOE. The Commission finds that the cap of \$500,000 per site is appropriate given the more rural nature of the Phase II sites in this part of the NEH. The Commission's approval of the NEH funding occurs with the understanding that 25 percent of the total site cost will be paid by the GOE until its contribution money is depleted. (*See* Ex. 1 at 199; Ex. 13 at 15.)

e. Technical Advisory Services

128. The Commission approves NV Energy's technical advisory services plan as filed, as a method of continuing to provide technical advisory and consulting services to assist

customers to better understand, select, implement, and optimize deployments of clean energy projects in Nevada.

Waterpower Program

129. Pursuant to NRS 701B.850(2), the Commission shall:

- (c) Review each annual plan filed by a utility for compliance with the requirements established by the regulation of the Commission; and
- (d) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

130. The Commission finds that, because no more incentive money was made available for the Waterpower Program and the Commission is directing all available non-EVID funds to the LISEP or energy storage, it is appropriate to wind down the Program, given the lack of interest in it in past program years.

131. Therefore, the Commission directs NV Energy to wind the Program down as contemplated in its testimony. (*See* Ex. 3 at 3.)

Wind Program

132. Pursuant to NRS 701B.610(2), the Commission shall:

- (e) Review each annual plan filed by a utility for compliance with the requirements established by the regulation of the Commission; and
- (f) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

133. The Commission finds that, because no more incentive money was made available for the Wind Program and the Commission is directing all available non-EVID funds to the LISEP or energy storage, it is appropriate to wind down the Program, given the lack of interest in it in past program years.

134. Therefore, the Commission directs NV Energy to wind the Program down as contemplated in its testimony. (*Id.*)

Administrative Budgets

135. The Commission approves the proposed administrative budgets as follows: (1) the Commission approves the scenario one Solar Program budget in order to allow NV Energy to wind down the solar incentives as contemplated in this Order; (2) the Commission approves the scenario two LISEP and energy storage incentive budgets to allow NV Energy to continue to operate those components of the Program as contemplated in this Order; (3) the Commission approves the EVID Program budget as proposed by NV Energy, with the exception that the budget must shrink commensurate with the Commission's rejection of the residential proposal;¹⁷ and (4) the Commission approves the requested Waterpower and Wind Program budgets to allow NV Energy to wind the Programs down, consistent with this Order.

136. As discussed above, the Commission finds that a 60-percent NPC and 40-percent SPPC budget split for the small energy storage incentives is more appropriate given the rate at which applications have been filed from those service territories in the past. Further, the Commission finds that, while no additional incentive money was provided by the Legislature to the incentive programs, the scenario two administrative budgets for the LISEP and energy storage are appropriate given that there appears to still be incentive money available and the Commission is ordering the continuation of energy storage incentives and the LISEP.

Withdrawn, Cancelled, or Forfeited Reservations

137. The Commission finds that as of April 30, 2019, there was over \$5,000,000 in incentive funding that had been reserved, with the projects still yet to be installed. (Ex. 4.) The

¹⁷ i.e. NV Energy's proposed administrative budget must not include any money originally allocated to administer the residential program.

Commission finds that, starting on July 1, 2019, to the extent that these funds, or any other incentive funds, are freed up for use again due to applications being withdrawn, cancelled, or forfeited, the newly freed-up funds should go first to future LISEP program years, until a \$4,000,000 cap is reached,¹⁸ and then to the energy storage incentives.

Monthly Reports

138. Consistent with the directives in Docket No. 18-02002, the Commission finds that NV Energy shall file monthly reports with the Commission demonstrating the amounts of total incentive funds expended and reserved for all programs funded under NRS 701B. Further, the Commission finds that these reports should also include information on any incentive funds freed up due to cancellations, withdrawals, or forfeitures.

139. The Commission notes that NV Energy did not comply with this directive in the prior Commission Order.¹⁹ As further discussed below, the Commission is troubled by this non-compliance, especially when considered with the energy storage funding issues. The Commission requests that NV Energy file these reports monthly as directed, in the annual plan Docket so that the reports can be readily available and reviewed by the Commission and interested parties.

V. SHOW-CAUSE PROCEEDING

140. As discussed above, the Commission is troubled by NV Energy's failure to comply with the Commission's order in Docket No. 17-08021, and the stipulation that NV Energy signed in Docket No. 18-02002, to set aside \$10,000,000 for energy storage. The

¹⁸ This \$4,000,000 represents funding LISEP at a rate of no more than \$1,000,000 per year in each program year through December 31, 2023.

¹⁹ NV Energy filed monthly website reports at once on May 23, 2019. However, these may be inaccurate. For example, the total incentives-paid balance as of March 2019, plus the incentives-paid figure listed in the April 2019 report does not equal the total incentives-paid balance listed in the April 2019 report.

Commission finds that, given the dwindling availability of funds, the failure to comply with the Commission's orders in Docket Nos. 17-08021 and 18-02002 has severely affected the future of the energy storage component of the Solar Program. Further, the Commission cannot solve the funding shortfall in this Docket. Accordingly, the Commission finds that it is appropriate to open a new docket to determine whether NV Energy should be administratively fined and to determine what other remedies are available to solve the funding shortfall.

141. The Commission is further troubled by NV Energy's failure to comply with the Commission's directive to file monthly reports with the Commission. While NV Energy did eventually comply, on May 23, 2019, the lack of monthly filings was a clear violation of the Commission's Order in Docket No. 18-02002.

142. Therefore, the Commission finds that a new docket shall be opened for the purpose of holding proceedings to determine whether NV Energy should be assessed administrative fines pursuant to NRS 703.380, and whether any other remedies are appropriate to address the funding shortfall for energy storage incentives.

THEREFORE, it is ORDERED:

1. The Joint Application filed by Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy, designated as Docket No. 19-02001, is GRANTED AS MODIFIED by this Order.

2. The Assistant Commission Secretary SHALL OPEN a new docket for the purposes of requiring Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy to appear and show cause why they should not be assessed administrative fines pursuant to NRS 703.380 and examining other potential remedies to address the funding shortfall for energy storage incentives.

Compliances

3. Within 60 days of the issuance of this Order, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall file with the Commission a statement describing the electric vehicle charging data that they intend to track.

4. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall each file with the Commission, in Docket No. 19-02001, monthly reports demonstrating the amounts of total funds expended and reserved, as well as any funds freed up due to cancellations, withdrawals, or forfeitures, for all programs funded under NRS 701B.005. In addition to the information available in the monthly website reports, the reports filed with the Commission shall include the beginning incentive funding available, incentives paid, incentives reserved, incentive reservations cancelled, withdrawn, or forfeited, and ending incentive amounts available by program and application type. The reports shall also include the beginning balance of total incentives paid, incentives paid during that month, and the ending balance of incentives paid by program and application type. Any variance between the ending balances in one month and the beginning balances in the next month must be accompanied by a narrative explanation. These monthly reports shall be filed each month for the period beginning on July 1, 2019, through June 30, 2020.

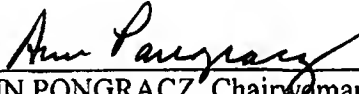
Directives

5. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall track the 78 energy storage systems in use and shall file the collected data with its 2020-2021 annual plan. Sierra Pacific Power Company d/b/a NV Energy and Nevada Power Company d/b/a NV Energy shall report on: (1) the size of the systems; (2) the time and date of when each system was being operated and when it is being charged; and (3) what each


utility's total loads and peak loads were during times when the energy system was being operated and charged.


6. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall use information and data available and work with the owners of charging stations to develop a report on how the charging stations are being used. Sierra Pacific Power Company d/b/a NV Energy and Nevada Power Company d/b/a NV Energy shall file this information with its 2020-2021 annual plan, with the data broken down by service territory.

By the Commission,


ANN PONGRACZ, Chairwoman


C.J. MANTHE, Commissioner and
Presiding Officer


HAYLEY WILLIAMSON, Commissioner

Attest: 
TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

6/27/19
(SEAL)

